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Distr.
LIMITED

TD/B/C.1/SC.2/L.1/Add.1
24 May 1967

Original: ENGLISH

...on Trade and Development

...OPMENT BOARD
... Commodities
...ssion
...sessional Sub-Committee
...eva, 9 May 1967
Agenda item 5

PROGRAMME FOR THE LIBERALIZATION AND EXPANSION OF TRADE IN COMMODITIES OF INTEREST TO DEVELOPING COUNTRIES

Draft report of the Second Sessional Sub-Committee

Addendum

Trade promotion

1. In introducing document TD/B/C.1/34, the representative of the Secretary-General of UNCTAD stated that the secretariat was already giving, on request, advice on trade promotion, particularly in connexion with technical assistance projects primarily concerned with non-agricultural commodities. In its document, the secretariat had examined the activities of other inter-governmental bodies in the field of trade promotion, and stressed the desirability of avoiding duplication of effort. The secretariat had also suggested, as a starting point, the convening, in conjunction with FAO, of a small group of experts in trade promotion in primary products. It was proposed to hold this meeting in time for its report to be available for consideration by the second Conference.

2. All delegations who participated in the discussion stressed the importance they attached to trade promotion as a means of expanding the commodity export earnings of developing countries.

3. Representatives of developed market economy countries drew attention to the efforts being undertaken both through existing international organizations and bilaterally by individual developed countries to assist developing countries in this field. While they were willing to continue these efforts, they felt that the main responsibility in this field must lie with the developing countries themselves. In this connexion they stressed particularly the importance of quality control, grading and adaptation of products to the requirements of consumers.

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4. Representatives of some developing countries mentio
had taken measures to promote their commodity exports, but
assistance was required. Those representatives also stated t
their promotion efforts to be fully effective, marketing outlet
countries should be simultaneously increased through measures to im
5. In discussion of the UNCTAD secretariat's future role in the field
promotion in primary commodities, representatives of developed market econo
countries emphasized that, since a great deal of useful work in this area was al
being carried out by other organizations such as the GATT International Trade Centre
UNDP, UNIDO, FAO and some other bodies, including private associations, and since
resources were limited, the desirability of avoiding duplication of work should be
kept well in mind. By way of illustration, representatives of many developed market
economy countries expressed some doubt whether a case existed for establishing an
UNCTAD Market Advisory Service, as GATT was already doing valuable work in this
field. They nevertheless felt that UNCTAD would have a useful role to play once a
careful appreciation had been made of what gaps existed in the activities of other
organizations and how best these could be filled.
6. It was felt by representatives of many developing countries that the UNCTAD
secretariat should have an important role to play in the field of trade promotion,
and that UNCTAD was the appropriate body for the co-ordination of activities in this
field. For example, it was felt that the establishment of an UNCTAD market advisory
service would be valuable. It was suggested by those countries that any work under-
taken in this field might best be related to individual commodities or groups of
homogeneous commodities. They also suggested that the secretariat should carry out
studies of promotion aspects of commodities facing adverse trends due to technological
changes - for example, rubber - and that it might also examine seemingly irrational
discrepancies between f.o.b. and retail prices. Representatives of developing
countries also felt that institutional barriers to the commodity exports of develop-
ing countries, which at times were more detrimental than other barriers, should
receive due attention.

...ort for the secretariat's proposal to convene an expert ...tion of commodity exports from developing countries, ...of one developed market economy considered that such a ...be at inter-governmental level. It was agreed that the expert ...e convened in co-operation with FAO and work with the collaboration ... interested organizations and study groups should examine systematically ...g done in the field of trade promotion in primary commodities, and seek to ... any gaps in those activities as a basis for future consideration of this matter ...NCTAD. It was felt by the representative of one developed market economy country ...at the work of the expert group should not be tied, as suggested, to recommendations ...n the Final Act of UNCTAD.

Expansion of commodity trade among developing countries

8. In introducing document TD/B/C.1/27, the representative of the Secretary-General of UNCTAD stated that the study was designed to supplement more general studies which had been made by expert groups of the general question of expansion of trade among developing countries, by focussing attention on some of the basic problems relating to, and possible avenues for, expansion of commodity trade per se.

9. It was generally considered that the objective of an expansion of commodity trade among developing countries was an important one, and that, although such trade at present represented a small part of the overall trade of those countries as a group, there was considerable potential for expansion in the longer term, given appropriate action by all parties concerned.

10. Representatives of several developed market economy countries thought this subject deserved considerable stress. They considered that in the medium and long-term, the expansion of trade among developing countries would be a particularly profitable avenue for the general economic development of those countries. Those representatives therefore hoped that considerable progress could be made during the second Conference once a full discussion of the problem in all its aspects had taken place at the fifth session of the Trade and Development Board.

11. Representatives of developing countries stated that co... being made by their countries in this field, and some suggest... the possible direction of further efforts - for example, bilate... co-ordinated efforts to promote industrial growth, trade promotion, ... those representatives considered that co-ordinated complementary measu... by developed countries to lend support to further actions on the part of t... countries. Some developing countries suggested that such measures might inclu... elimination of reciprocal concessions granted by certain developing to developed c... the promotion of consumption of imported primary commodities, and the provision of improved access for the exports of developing countries to the markets of developed countries. It was also stated by representatives of some developing countries that an improvement in the conditions of their countries' trade with the developed countries would make a far greater contribution to meeting their trade and development needs than could any presently feasible increase in trade among developing countries themselves.

Expansion of commodity exports from developing to socialist countries of Eastern Europe

12. Representatives of several developing and developed market economy countries referred to the need for the socialist countries of eastern Europe to take all possible measures to improve access and marketing opportunities in their countries for the commodity exports of developing countries. It was stated that steps to promote consumption and the provision for developing countries of assured minimum participation in the growing markets of the socialist countries of eastern Europe for appropriate major commodities would be helpful in this connexion.

13. The representative of one socialist country of eastern Europe referred to the absence of quantitative restrictions or customs duties on such imports and to the increases in commodity imports from developing countries which had occurred in recent years in the context of trade and economic co-operation agreements. That country was willing to enlarge the number and scope of bilateral agreements and to examine all possibilities of supplementing them by the introduction of arrangements for some form of multilateral payments. It was also stated that the elimination of discriminatory treatment affecting the exports of socialist countries to developing countries would increase the capacity of socialist countries to import from developing countries.